

SAN FRANCISCO BAY WATER QUALITY IMPROVEMENT FUND
FY 2011 and 2012 Request for Initial Proposals (RFIPs)
FAQs
March 2012

General

Q. What is the San Francisco Bay Area Water Quality Improvement Fund (SFBWQIF)?

A. The SFBWQIF is a competitive grant program aimed at protecting and restoring the water quality and aquatic habitat of San Francisco Bay and its watersheds. To date, EPA has awarded over \$22 million in ten grants supporting 38 projects, matching and leveraging over \$40 million, and involving 53 partners. Since 2008, EPA has issued three RFPs and has awarded ten grants supporting 38 projects, matching and leveraging over \$40 million, and involving 53 partners. Emphasis is on projects encouraging innovation, cost-effectiveness, leveraging of additional resources and fostering widespread implementation.

Q. How much funding is available this year?

A. Two RFIPs are currently soliciting proposals, one for \$1 mil (EPA -R9-WTR3-12-001) and the second for up to \$5,847,000 (EPA-R9-WTR3-12-002). Please refer to the table below which describes the key differences between the two RFIPs.

	RFP 1 (FY 2011)	RFP 2 (FY 2012)
Funding Opportunity Number	EPA-R9-WTR3-12-001	EPA-R9-WTR3-12-002
Available Funds	\$1,000,000	up to \$5,847,000
Funding Range for Projects	\$200,000 to \$1,000,000	\$500,000 to \$2,000,000
Match (statutory authority)	25%	50%
Evaluation Criteria - <u>Initial Proposals</u> (100 pts)	Scope/Approach (45 pts) Environmental Results (45 pts) Budget Summary (10 pts)	Scope/Approach (45 pts) Environmental Results (45 pts) Budget Summary (10 pts)
Evaluation Criteria - <u>Full Proposals</u> (100 pts)	Partnerships/Leveraging (40 pts) Budget Detail (40 pts) Programmatic Capability and Past Performance (20 pts)	Partnerships (35 pts) Budget Detail (45 pts) Programmatic Capability and Past Performance (20 pts)

Q. Why are the funding levels different in the two RFIPs?

A. The RFIP for \$1 mil of FY 2011 funds has a funding range of \$200,000 to \$1 mil to allow more applicants to meet the 25% match and include leveraged resources in their proposal. The RFIP for up to \$5,847,000 of FY 2012 funds has a funding range of \$500,000 to \$2 mil and a required minimum 50% match. We are looking for larger scale projects that can produce significant water quality and habitat results. We expect the range of funding levels for both RFIPs to promote competition among eligible applicants.

Q. Will there be more funding available in the future?

A. Funding for the SFBWQIF is dependent each year on allocations in the federal budget approved by Congress.

Submitting a Proposal

Q. Where do I start?

A. You should start by closely reading the funding announcements. Determine your eligibility by reviewing the Threshold Evaluation Criteria (Section III. C). Carefully consider the Program Priorities (Section I.B) and Evaluation Criteria (Section IV.B) to develop your proposed activities to achieve specific outputs and outcomes in a manner that will address the evaluation criteria.

Q. What kind of materials do I need to submit for the initial proposal?

A. To be considered for a SFBWQIF grant, EPA requires that each submission contain a set of common elements that are described in Section IV.B (Content of Initial Proposal Submission.) The materials that must be included in the initial proposal package include: Application for Federal Assistance Standard Form 424, Standard Form 424A, Proposal Narrative including Environmental Results, and a map of the project.

Q. What is the initial proposal submission deadline?

A. Initial proposals must be received by EPA via Grants.gov, mail, hand-delivery, express delivery service, or by email by **5:00pm Pacific Standard Time on March 16, 2012**, as specified in Section IV of the announcements. Applicants are responsible for ensuring that their proposals reach the designated person/office specified in Section IV of the announcement by the submission deadline.

Q. How will EPA review proposals? When will the final decision be made?

1. **Initial Proposals.** Eligible initial proposals will be evaluated by the EPA Region 9 Review Committee which will score and rank the proposals using the evaluation criteria identified above in Section V.A.1. The Review Committee will consist of EPA staff and may also include representatives from other state or Federal agencies. Applicants with the highest ranking initial proposals will be invited to submit full proposals.
2. **Full Proposals.** Those applicants identified to submit full proposals for review will be notified by EPA and will be asked to submit additional information as will be requested by EPA (including the information identified in Section IV.C.) and address the full proposal evaluation criteria in Section V.A.2. The Review Committee will rank and score each full proposal based on the evaluation criteria described above in Section V.A.2.
3. **Final Selections and Awards.** The Review Committee will provide rankings and funding recommendations based on the full proposal scores to the selection official (Director of EPA Region 9 Water Division.) Final funding decisions will be made by the selection official, in consultation with the Regional Administrator. In making the final funding decisions, the selection official in consultation with the Regional Administrator, may also take into account the following factors: geographic distribution of funds, diversity of projects, and availability of funds. Proposals selected for funding will be asked to submit a final application package in order to award funds.

Q. How can I tell if I am eligible to apply for a grant?

A. The following entities are eligible to apply for funding under this announcement unless restricted by the authorizing statute(s): State, local government agencies, districts, and councils; regional water pollution control agencies and entities; State coastal zone management agencies; public and private universities and colleges, and; and public or private non-governmental, non-profit institutions. Non-profit organizations must have documentation of non-profit status from the U.S. Internal Revenue Service or their state of incorporation, except that non-profits organizations as defined in Section 501(c)(4) of the Internal Revenue Code that engage in lobbying as defined in Section 3 of the Lobbying Disclosure Act 1995 or superseding legislation are ineligible.

Q. Can an applicant apply to both RFIPs since they are open at the same time?

A. Yes, you can apply to either or both of the RFIPs. Be aware that the match requirements are different for each RFIP, so if you are applying to both with the same project, your budget submission will need to address the correct matching requirements. An organization may submit more than one proposal and may also apply to both RFIPs for different projects.

Q. Are federal agencies eligible to apply for SFBWQIF grants?

A. Federal agencies are not eligible to apply for grants, however, they are eligible for subwards and subcontracts where appropriate as partners for a particular project.

Q. How do we answer question 19 in the SF 424?

A. The SFBWQIF (Program) is covered by Executive Order (EO) 12372. The appropriate answer for this box is A. If your proposal is selected for a grant award, then you will need to send a copy of your SF 424 to the California Grants Coordination State Clearinghouse.

Grants Coordination
State Clearinghouse
Office of Planning & Research
P.O. Box 3044, Room 212 Sacramento, CA 95814-3044
Telephone: (916) 445-0613
FAX: (916) 323-3018 Email: state.clearinghouse@opr.ca.gov

Q. Do "Measure W" watersheds receive special treatment in the proposal evaluation process? (<http://www.epa.gov/region9/water/watershed/measurew.html>)

A. The evaluation criteria do not give preference to Measure W watersheds. The level of watershed planning that each proposed project is based on is considered under the context of the "Scope/Approach" evaluation criteria as follows: "activities are based on watershed plans, appropriate climate change scenarios, TMDLs and/or related assessments to ensure that priority activities are being undertaken that will lead to water quality objectives and the protection of beneficial uses within a specific timeframe." You can find the full description of the evaluation criteria in Section V.A of the RFIP.

Q: Would constructing a green street project trigger an Environmental Impact Document (EID)?

A: All projects funded by the SFBWQIF do NOT require an EID (Section VI. I of the RFIP), though this exemption under NEPA does not replace the need to comply with other Federal environmental laws, such as the Endangered Species Act and the National Historic Preservation Act, and compliance with state regulations.

Q. What types of projects are ineligible for funding?

A. Only proposals that meet that meet all of the threshold eligibility criteria in Section III.C will be scored based on the evaluation criteria (See Section V) of this announcement. Applicants deemed ineligible for funding consideration as a result of the threshold eligibility review will be notified within 15 calendar days of the ineligibility determination.

Projects that do not address San Francisco Bay water quality issues in the nine Bay Area counties (Marin, Napa, Sonoma, Solano, Contra Costa, Alameda, Santa Clara, San Mateo, San Francisco) are ineligible.

Q. Does the applicant have to be located in the nine county Bay Area?

A. No, the applicant does not have to be located in the nine county Bay Area. However, the project must be carried out in within the nine county Bay Area defined in the RFIP.

Environmental Outputs and Outcomes

Q. What are "Outputs and Outcomes"?

A. Outputs and outcomes are explained in Section I.C.2 of the RFIPs. The terms outputs and outcomes are derived from the EPA's increased focus on environmental results (*EPA Policy Order 5700.7 Environmental Results*). Therefore, EPA's priority is to support projects that are likely to achieve quantifiable outcomes. Applicants must include specific statements describing the environmental results of the proposed project in terms of well-defined "outputs" and "outcomes".

The term "output" means an activity, effort, or associated work product related to an environmental goal or objective that will be produced or provided over the period of time of the project funding. The term "outcome" means an environmental result, affect or consequence that will occur from carrying out an environmental program or activity that is related to an environmental or programmatic goal or objective. Outcomes may be environmental, behavioral, health-related or programmatic in nature, but must be quantitative. Outcomes to be achieved beyond the assistance agreement funding period should be included. Special emphasis should be placed on specifying quantitative outcomes related to the achievement of water quality objectives and the protection of beneficial uses.

Q: Are there environmental outputs and outcomes for projects that are not on-the-ground?

A. Yes. We encourage local governments and partners to propose outputs related to projects that establish institutional capacity, such as those that involve land use zoning, watershed mitigation management approaches, sub area plans, development standards, regulatory measures in comprehensive plans, and other regulations (or incentive based regulatory programs) to implement stormwater controls, and low impact development (LID) can include projected estimated pollutant load reductions through modeling or providing a range of potential improvements. All outcomes must be quantitative and outcomes to be achieved beyond the assistance agreement funding period should be included.

Types of Projects

Q. What kinds of LID projects are eligible?

A. EPA is encouraging proposals that achieve measurable water quality improvements and provide for more widespread and ongoing implementation through establishing institutional capacity. The following are some examples of LID-related institutional capacity building and on-the-ground activities that are eligible under the RFIPs.

Institutional Capacity Examples:

- Develop and carry out laws, ordinances, and incentive programs to implement watershed programs such as systematic implementation of low impact development, land acquisition, and transfer of development rights.
- Enhance and implement watershed protection and land use plans, stormwater controls and/or land development standards to achieve water quality objectives and maintain native vegetation and natural hydrology. Tools expected to be part of these improvements include watershed models predicting hydrologic impacts of alternative, future land cover conditions, development scenarios, and anticipated climate change impacts.
- Implement watershed-based, interagency monitoring and project tracking systems to foster coordinated adaptive management to achieve TMDL and aquatic resource protection goals.
- Increase data and information available to local decision-makers who write and implement laws, ordinances, and permits.

On-the-Ground Examples:

- Implementing BMP's to reduce impervious surfaces in watersheds and drainages so as to protect and/or restore water quality and downstream beneficial uses, etc.
- Restoring a floodplain and/or wetlands to buffer affects from high flow events and enhance habitat.
- Systematically improving and/or replacing culverts, drainage pipes, road drainage systems, etc. which re-connects watershed hydrologic features and reduces pollutant loads in stormwater.

Q. Is land acquisition eligible as a project type if it meets the RFIP criteria?

A. Yes, land acquisition is an eligible project activity. We would stress, however, that the land acquisition would have to be directly linked to or demonstrated to be a key factor in improving water quality conditions in impaired waterbodies.

Q. Could a SFBWQIF grant be used as seed money to start a revolving loan fund for water quality improvement projects?

A. Developing a revolving loan fund is not an eligible activity under this grant program.

Q. Can the funding be used to meet municipal stormwater permit requirements under NPDES permits if the proposed activities meet the grant criteria?

A. Yes. The funding can be used to meet the municipal stormwater permit requirements under NPDES permits if the proposed activities meet the announcement requirements and criteria. EPA is encouraging proposals that address stormwater to go beyond the regulatory requirements of the permit. Examples of the types of stormwater system improvements that go beyond stormwater permit requirements on a watershed scale are as follows:

- Retrofitting existing development to reduce stormwater impacts.
- Systematic preservation and restoration of streams and wetlands critical to maintenance and restoration of watershed hydrology.
- Incentive programs for private homeowners to incorporate LID measures.
- Removal of local institutional barriers to facilitate the systematic implementation of LID.
- Changes to future land use patterns and practices.

TMDLs and Watershed Plans

Q. Why is EPA emphasizing that implementation be based on TMDLs, appropriate climate change scenarios, watershed plans and other quantitative water quality assessments and plans?

A. EPA's national experience overseeing state nonpoint source (NPS) programs has led us to conclude that significant environmental results are more likely where Total Maximum Daily Loads (TMDLs) and associated assessments and plans provide detailed information to identify priority activities to achieve water quality objectives and beneficial uses within a specific time frame. The most effective plans should contain sufficient accountability and feedback mechanisms to allow for adaptive management to ensure ongoing progress. Such specific information helps ensure that limited resources can be directed, and leveraged, to address the most significant pollutant sources. For this reason, proposed activities in response to this announcement are expected to be based on data, analysis and information contained in TMDLs, climate change models, watershed plans and related assessments. Evidence should be provided that sufficient planning and assessment has been completed to ensure that the proposal is undertaking priority activities that will achieve significant and sustainable environmental results.

For more information concerning watershed plans you may want to refer to the [*Handbook for Developing Watershed Plans to Restore and Protect our Waters*](#) (March 2008)

Q. Should a proposal only address one watershed or can it address several watersheds (e.g., for comparative purposes) as long as the watersheds, or the sub-units, have clearly defined boundaries?

A. A proposal can address one or more watersheds. EPA wants to see applicants address and discuss the watershed plan, appropriate climate change scenarios, TMDL and/or associated documents that provide the rationale for the project using a watershed approach.

Q. Does EPA provide guidance on how to estimate costs for monitoring and what monitoring should entail?

A. EPA expects the applicant to be able to budget out appropriate monitoring costs associated with measuring success of a particular project, using appropriate scientific expertise and current methods. EPA encourages collaboration with partnership organizations that have expertise in monitoring if an applicant needs assistance in determining appropriate indicators or measures of success. Please review this following EPA link which provides overall guidance on [*how to develop Quality Assurance Project Plans*](#) for the monitoring that is appropriate to your project.

Match Requirement

Q. Is there a match requirement?

A. Section III.B of each RFIP states the required non-federal match. The RFIP for \$1 mil (EPA -R9-WTR3-12-001) has a match requirement of 25% of the total project cost. The RFIP for up to

\$5,847,000 (EPA-R9-WTR3-12-002) has a match requirement of a minimum of 50% of the total project cost. The match may be in the form of cash or in-kind contributions. Monies from other federal sources, unless specified by law, may not count toward the match.

Q. Regarding the 25% and 50% match requirements, what exactly does “of the total project cost” mean?

A. In the solicitation announcements, EPA states that the match must cover 25% or 50% of the total cost of the project. In the case of the 25% match, this means that EPA will support up to 75% of the project. For example, if the total project cost is \$1,500,000, the applicant must provide \$375,000 in matching funds or services and the federal portion would be \$1,125,000. To calculate the correct match amount use one of the following formulas:

1) Example Formula: (Total Project Cost X .25 = Match)

If you know your TOTAL project cost is, FOR EXAMPLE, \$1,066,666, then multiply that amount by .25 to find the required match, \$266,666, and the REMAINDER, \$800,000, is the federal amount to be requested, which provides 75% of the project total.

2) Example Formula: (Federal Portion / .75) - Federal Portion = Match

If you know the federal amount you would like to request is, FOR EXAMPLE, \$1,000,000, divide that amount by .75 (\$1,333,333) and subtract by \$1,000,000 to identify your required \$333,333 in matching funds or services.

For the minimum 50% match requirement the example formula would be as follows: (Total Project Cost X .5 = Match) OR (Federal Portion / .5) - Federal Portion = Match

Q. Can the state provide some of the match?

A. Yes. All or part of the match can come from the state. It can be in the form of cash or in-kind contributions.

Q. What is considered to be an in-kind match?

A. In-kind contributions can be an organization’s staff time, the use of volunteers, and/or donated time, equipment, expertise, etc., consistent with the regulations governing matching fund requirements (40CFR 31.24 or 40 CFR 30.23).

Q. How do I “certify” my match?

A. The procedures relating to match certification are standard for all EPA grants. In general, the nominee should verify that a match is committed by appending letters from the party (on its own letterhead) that is supplying the match and the amount of the commitment.

Q. Regarding in-kind contributions, can contributions from activities that are on-going or have been completed count toward the match requirement?

A. The value of the in-kind contributions must be an estimate of future contributions that will be utilized during the project period. Services that have already occurred can be helpful in determining what the estimate should be but cannot count toward the 25% match requirement.

Q. The solicitation announcement states that federal funds cannot be used toward the match unless authorized by the statute governing their use. What does this mean?

A. This means that funds obtained via another federal grant cannot be factored into the 25% or 50% match calculations. These funds can certainly be used to support or supplement the work being done and can be calculated as leveraged resources, but cannot be considered "matching funds".

Q. What is the value of volunteer time?

A. EPA's policy has been that volunteer time is worth whatever hourly wage you would pay an individual if you were to go out and hire a person to do the work that you are asking a volunteer to perform.

Q. What is the difference between the match and leveraged resources in RFIP for \$1mil (EPA-R9-WTR3-12-001)?

A. The match must be included in the initial proposal (Standard Form 424A). Proposals are encouraged to leverage additional resources beyond the required 25% match. Leveraged resources can include but are not limited to funds and other resources leveraged from businesses, labor organizations, non-profit organizations, education and training providers, and/or Federal, state, tribal, and local governments, as appropriate. Information on leveraging should be provided in the narrative of the Full Proposal submission.

Q. Can resources (e.g. in-kind services, cash) expended for a mitigation project be used as match for a SFBWQIF project?

A. There may be instances where an applicant's proposed SFBWQIF project involves activities associated with a mitigation project/activity. Whether the mitigation project/activity can be used as match for the proposed SFBWQIF project will depend on the facts and circumstances of each case. However, if the applicant is proposing to perform the mitigation project to comply with a Consent Decree or Administrative Order the mitigation funds/resources cannot be used as a match for the SFBWQIF project. If an applicant wants to use the match for a mitigation activity above and beyond the work that is required under the grant, the activity might be considered out of scope and therefore not eligible as a match. To be eligible for match, the mitigation project-related activities must be allowable under the terms of the grant, must comply with the Federal cost principles found at 2 CFR Part 220, 2 CFR Part 225 or 2 CFR Part 230, and be conducted during the grant's project period.

Contracts and Subawards

Q. Can grant funding be used by the applicant to make subawards, acquire contract services, or fund partnerships?

A. Yes, funds can be used for contracts and subawards in accordance with the Contracts and Subawards/Subgrants requirements in Section IV.H of the announcement. EPA awards funds to one eligible applicant as the "recipient" even if other eligible applicants are named as "partners" or "co-applicants" or members of a "coalition" or "consortium." The recipient is accountable to EPA for the proper expenditure of funds and reporting requirements.

Q. How will an applicant's proposed subawardees/subgrantees and contractors be considered during the evaluation process described in Section V of the announcement?

Section V of the announcement describes the evaluation criteria and evaluation process that will be used by EPA to make selections under this announcement. During this evaluation, except for those criteria that relate to the applicant's own qualifications, past performance, and reporting history, the review panel will consider, as appropriate and relevant, the qualifications, expertise, and experience of named subawardees/subgrantees and/or named contractors during the proposal evaluation process as long as the applicant complies with the requirements in Section IV.H.

Q. May EPA grant recipients enter into agreements with federal agencies to carry out tasks/activities under the grant work plan?

Reimbursable Agreement- Grant recipients may enter into reimbursable agreements with federal agencies as long as those federal agencies are authorized under applicable federal laws to enter into such agreements with federal grant recipients. This is the mechanism by which a grant recipient can work with a federal agency as a partner. Reimbursable agreements do not have to be competed, but grant recipients must provide a brief explanation as to why they are selecting a federal agency to carry out the work.

Grant recipients MAY NOT enter into subgrants with federal agencies as part of their project activities. The only way to partner with a federal agency is through the reimbursable agreements described above, which is the type of contract.

Q. What are EPA's bonding requirements for contractors?

A. EPA's bonding requirements can be found at [40 CFR §31.36\(h\)](#). These requirements apply to local government grant recipients, not to State government or non-profit grant recipients. States and non-profits follow their own procurement rules with respect to bonding. 40 CFR §31.36(h) states:

(h) *Bonding requirements.* For construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold (\$100,000), the awarding agency (EPA) may accept the bonding policy and requirements of the grantee or subgrantee provided the awarding agency has made a determination that the awarding agency's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows:

1. *A bid guarantee from each bidder equivalent to five percent of the bid price.* The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.
2. *A performance bond on the part of the contractor for 100 percent of the contract price.* A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
3. *A payment bond on the part of the contractor for 100 percent of the contract price.* A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

Q. May recipients apply local geographical preferences (also known as "local hire" preferences) for contracts procured using EPA grant funds?

A. The answer depends on whether or not the grant recipient is a state government, local government or non-profit organization.

- **State government recipients** generally follow their own procurement rules. If the State rules allow geographic preferences they may utilize this option. However, States must comply with

other EPA procurement rules including the Disadvantaged Business Enterprises (DBE) Rule (see http://www.epa.gov/osbp/dbe_faq.htm).

- **Local government recipients** may not include geographical preferences in the evaluation of bids or proposals (see EPA grant regulation 40 CFR §31.36 (c) (2). This applies to both EPA grant funds and match dollars.
- **Non-profit organization recipients** are not prohibited from utilizing geographical preference in their EPA funded contracts, but they must comply with other procurement rules including the DBE rule.

Note—EPA grantees/subgrantees may not hire contractors who have been debarred or suspended.

Q. Are preaward costs eligible?

A. In certain circumstances, costs incurred within 90 days prior to the grant award may be eligible for reimbursement. However, this does not include any costs associated with responding to this solicitation or in finalizing the application package. If costs are incurred before the award, they are incurred at the applicant's own risk.

Other Questions

Q. What are indirect or overhead costs?

A. Indirect costs represent the expenses of doing business that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs (source: <http://www2.ed.gov/about/offices/list/ocfo/intro.html>). In order to charge interest costs to the grant, the applicant must have an up-to-date approved indirect cost rate agreement with its cognizant agency (the federal agency the applicant receives the most funding from). EPA does recognize indirect cost agreements negotiated with other federal agencies.

Q. How do I submit an additional question that has not been addressed in this document?

A. We are able to respond to questions from individual applicants regarding threshold eligibility criteria, administrative issues related to the submission of the proposal, and requests for clarification about the announcement. You may submit your questions via email to Erica Yelensky at yelensky.eric@epa.gov. Additional answers to questions will be posted on this page.